

## **EXPRESS TERMS**

### **TITLE 13, DIVISION 1, CHAPTER 1**

#### **SURETY BOND FORMS AND BOND CONDITIONS**

##### **§152.00. Motor Vehicle Bond Requirements.**

(a) A motor vehicle owner applying for a California certificate of title without the required supporting evidence of ownership may submit a bond as authorized under Vehicle Code section 4157. The bond shall be executed by an admitted surety insurer on a Motor Vehicle Ownership Surety Bond, form REG 5057 (NEW REV. 12/2004), which is hereby incorporated by reference. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(b) The penal sum of the bond shall be in the amount of the fair market value of the motor vehicle.

(1) The fair market value shall be determined by either:

(A) A written appraisal provided by a California licensed or other state licensed motor vehicle dealer or motor vehicle insurance representative; or

(B) Identification of the motor vehicle and its price variations based on information provided in a recognized industry motor vehicle valuation and pricing handbook, such as the Kelly Blue Book. The highest and lowest price variations shall be added together and then divided by two; the ~~total~~ result is the average price of the vehicle. The average price shall be the fair market value.

(c) A motor vehicle owner applying for a California certificate of title without the required supporting evidence of ownership may submit a deposit *equal to the monetary amount appraised in Section 152.00 (b)(1)(A) or calculated in Section 152.00(b)(1)(B)* in lieu of bond as provided in Section 995.710 of the Code of Civil Procedure.

NOTE: Authority cited: Section 1651, Vehicle Code. Reference: Sections 995.010 and 995.710, Code of Civil Procedure; and Sections 4157 and 4307, Vehicle Code.

##### **§190.03. Vessel Bond Requirements.**

(a) A vessel owner applying for a California certificate of title without the required proof of ownership may submit a bond as authorized by Vehicle Code section 9923. The bond shall be executed by an admitted surety insurer on an Undocumented Vessel Surety Bond, form REG 5058 (REV. 12/2004 10/2005), which is hereby incorporated by reference. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(b) The penal sum of the bond shall be in the amount of the fair market value of the vessel.

(1) The fair market value shall be determined by either:

(A) A written appraisal provided by a California licensed or other state licensed yacht and shipbroker; or

(B) Identification of the vessel and its price variations based on information provided in a recognized industry vessel valuation and pricing handbook. The highest and lowest price variations shall be added together and then divided by two; the total result is the average price of a vessel. The average price shall be the fair market value.

(c) A vessel owner applying for a California certificate of title without the required supporting evidence of ownership may submit a deposit equal to the monetary amount appraised in Section 190.03 (b)(1)(A) or calculated in Section 152.00(b)(1)(B) in lieu of bond as provided in Section 995.710 of the Code of Civil Procedure.

NOTE: Authority cited: Sections 1651 and 9852, Vehicle Code. Reference: Section 995.010, Code of Civil Procedure; and Section 9923, Vehicle Code.

*Instructions: Add new section to Article 4.2 entitled "Vehicle Dealers"*

**§268.02-268.10. Dealer Surety Bond Requirements.**

(a) Every applicant for issuance or renewal of a dealer license, other than a dealer who deals exclusively with motorcycles and/or all-terrain vehicles and a wholesale dealer selling less than 25 vehicles a year, shall submit the bond required by Vehicle Code section 11710 on a Dealer Surety Bond, form OL 25 (REV. 11/2004), which is hereby incorporated by reference. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(b) Every applicant for issuance or renewal of a license for a dealer who deals exclusively in motorcycles and/or all-terrain vehicles shall submit the bond required in Section ~~274.00~~ 268.12 of Title 13, California Code of Regulations.

(c) Every applicant for issuance or renewal of a license for a dealer selling less than 25 vehicles a year on a wholesale basis only shall submit the bond required in Section ~~274.00~~ 268.12 of Title 13, California Code of Regulations.

(d) The true, full name of the dealer, and any doing business as (DBA) names under which the licensed activity is conducted, shall be entered on the bond.

(e) The appointment of director as the agent for service of process required by Vehicle Code section 11710(d) shall be in the form required under subdivision (c) of Section 330.08 of Title 13, California Code of Regulations.

NOTE: Authority cited: Section 1651, Vehicle Code. Reference: Section 995.010, Code of Civil Procedure; and Sections 11710 and 11710.1, Vehicle Code.

*Instructions: Add new section to Article 4.2 entitled "Vehicle Dealers"*

**§274.00-268.12. Surety Bond Requirements for Motorcycle Dealers, Motorcycle Lessor-Retailers, All-Terrain Vehicle Dealers and Wholesale Only Dealers Who Sell Less Than 25 Vehicles Per Year.**

(a) The bond required by Vehicle Code sections 11612 and 11710 for a dealer who will deal exclusively in motorcycles or all-terrain vehicles or who sells wholesale less than 25 vehicles a year shall be executed on a Surety Bond of Motorcycle Dealer, Motorcycle Lessor-Retailer, All-Terrain Vehicle Dealer, or Wholesale Only Dealer (Less Than 25 Vehicles Per Year), form OL 25B (REV. ~~11~~ 12/2004), which is hereby incorporated by reference. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(1) For the purpose of determining whether a dealer sells less than 25 vehicles a year, a year shall be defined as the period beginning on the initial date of licensure and ending on the day before the renewal date.

(2) The name of the Principal on the surety bond shall include any and all “Doing Business As” (DBA) names used by the Principal to conduct business as authorized under the occupational license.

(3) The appointment of director as the agent for service of process required by Vehicle Code section 11710(d) shall be in the form required under subdivision (c) of Section 330.08 of Title 13, California Code of Regulations.

NOTE: Authority cited: Section 1651, Vehicle Code. Reference: Section 995.010, Code of Civil Procedure; and Sections 11612, 11710 and 11710.1, Vehicle Code.

*Instructions: Add new article heading- Article 4.21 entitled “Lessor-Retailer” immediately after existing section 272.04. In new article 4.21 include new section 280.12 as follows:*

**§280.12. Lessor-Retailer Surety Bond Requirements.**

(a) Every applicant for issuance or renewal of a lessor-retailer license other than a lessor-retailer who deals exclusively with motorcycles shall submit the bond required by Vehicle Code section 11612 on a Lessor-Retailer Surety Bond, form OL 25C (REV. 11/2004), which is hereby incorporated by reference. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(b) Every applicant for issuance or renewal of a license as a lessor-retailer who deals exclusively with motorcycles shall submit the surety bond required in Section ~~274.00~~ 268.12 of Title 13, California Code of Regulations.

(c) The true, full name of the lessor-retailer, and any doing business as (DBA) names under which the licensed activity is conducted, shall be entered on the bond.

(d) The appointment of director as the agent for service of process required by Vehicle Code section 11710(d) shall be in the form required under subdivision (c) of Section 330.08 of Title 13, California Code of Regulations.

NOTE: Authority cited: Section 1651, Vehicle Code. Reference: Section 995.010, Code of Civil Procedure; and Sections 11612 and 11710, Vehicle Code.

*Instructions: Add new section in Article 4.22 entitled “Vehicle Remanufacturers” immediately after article heading.*

**§285.06. Remanufacturer Surety Bond Requirements.**

(a) Every applicant for issuance or renewal of a remanufacturer license shall submit the bond required by Vehicle Code section 11710 on a Remanufacturer Surety Bond, form, OL 25A (REV. 11/2004), which is hereby incorporated by reference. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(b) The true, full name of the remanufacturer, and any doing business as (DBA) names under which the licensed activity is conducted, shall be entered on the bond.

(c) The appointment of director as the agent for service of process required by Vehicle Code section 11710(d) shall be in the form required under subdivision (c) of Section 330.08 of Title 13, California Code of Regulations.

NOTE: Authority cited: Section 1651, Vehicle Code. Reference: Section 995.010, Code of Civil Procedure; and Section 11710, Vehicle Code.

*Instructions: Add new article heading- Article 4.23 entitled "Vehicle Verifiers" immediately after existing section 290.20. In the new article 4.23, include section 292.06 as follows:*

**§292.06. Vehicle Verifier Surety Bond Requirements.**

(a) Every applicant for issuance or renewal of a vehicle verifier permit shall submit the bond required by Vehicle Code section 11301 on a Vehicle Verifier Surety Bond, form OL 26 (REV. 11/2004), which is hereby incorporated by reference. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(b) The bond shall be conditioned that if the vehicle verifier not cause any loss by the public or the State arising out of the operation under the vehicle verifier permit, then this obligation is to be void; otherwise it is to remain in full force and effect.

(c) The true, full name of the vehicle verifier, and any doing business as (DBA) names under which the licensed activity is conducted, shall be entered on the bond.

NOTE: Authority cited: Sections 1651 and 11308, Vehicle Code. Reference: Section 995.010, Code of Civil Procedure; and Section 11301, Vehicle Code.

**§330.08. Registration Service Surety Bond Requirements with an Application for Original Occupational License For a Registration Service.**

(a) Every applicant for issuance or renewal of a registration service license shall submit the bond. Each registration service is required to procure and submit with the application a bond in the amount required by Vehicle Code Section 11402 of the Vehicle Code. The bond shall be executed by an admitted surety insurer on a Surety Bond of Registration Service Surety Bond, Form OL 605 (7/92 REV. 11-12/2004), which is hereby incorporated by reference, and conditioned that the applicant shall: The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(1) — Continue the business of the registration service free from the practice of any fraud or without making any fraudulent representations, within the meaning of that term as explained in Section 11405 of the Vehicle Code.

(2) — Cover any loss to the public or State of California arising out of the operation of the registration service.

(3) — Reimburse the State of California, or any political subdivision thereof, for any loss or damage which the State of California, or any political subdivision, may suffer by reason of a violation by such registration service or their representative, of any of the provisions of Section 20 or Division 3, 3.5, 4 or 5 of the Vehicle Code, or Division 2, Part 5 of the Revenue and Taxation Code; then this obligation shall be null and void; otherwise to remain in full force and effect.

~~(b)—In addition to the signature of the Attorney in Fact for the Surety, a Surety Bond of Registration Service shall be signed by~~

~~(1)—the individual owner of a registration service or~~

~~(2)—each partner owning a registration service or~~

~~(1) any principal corporate officer of a registration service.~~

The name of the Principal on the surety bond shall include any and all “Doing Business As” (DBA) names used by the Principal to conduct business as authorized under the occupational license.

(c) The appointment of director as the agent for service of process as required by Vehicle Code section ~~11710(d)~~ 11403 shall be executed on an Appointment of Director as Agent for Service of Process, form ADM 9050 (NEW 8/2004), which is hereby incorporated by reference.

NOTE: Authority cited: Section 1651, Vehicle Code. Reference: Sections 1185 and 1189(a), Civil Code; Section 995.010, Code of Civil Procedure; and Sections 19, 11401 and 11402 and 11403, Vehicle Code.

### **~~§330.10. Certification Required with an Application for an Original Registration Service License.~~**

~~(a)—A completed Certificate of Appointment, Form OL 602 (4/91) provided by the department shall be submitted with the applicant for an original license required by Section 330.02.~~

~~(b)—A certificate of appointment shall be signed by any person listed in Section 330.02(b)(4).~~

NOTE: Authority cited: Section 1651, Vehicle Code. Reference: Section 11403, Vehicle Code.

### **§340.13. Driving School Owner or All-Terrain Vehicle Safety Training Organization Principal Surety Bond Requirements.**

(a) Every applicant for issuance or renewal of a driving school owner or all-terrain vehicle safety training organization principal occupational license shall submit the bond required by Vehicle Code section 11102 on a Driving School Owner or All-Terrain Vehicle Safety Training Organization Principal Surety Bond, form OL 218 (REV. 11/2004), which is hereby incorporated by reference. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.

(b) The true, full name of the driving school owner or all-terrain vehicle safety training organization principal, and any doing business as (DBA) names under which the licensed activity is conducted, shall be entered on the bond.

(c) The appointment of director as the agent for service of process required by Vehicle Code section 11102(a)(~~6~~)(B) (5) shall be in the form required under subdivision (c) of Section 330.08 of Title 13, California Code of Regulations.

NOTE: Authority cited: Section 1651, Vehicle Code. Reference: Section 995.010, Code of Civil Procedure; and Sections 11102, Vehicle Code.

### **§345.65. Traffic Violator School Owner Surety Bond Requirements.**

~~Before a traffic violator school owner license can be issued by the department, the owner shall either procure a bond, as described in Vehicle Code Section 11202(a)(3), or post a deposit in lieu of a bond, pursuant to Vehicle Code Section 11203.~~

~~(a) Every applicant for issuance or renewal of a traffic violator school owner occupational license shall submit the bond required by Vehicle Code section 11202. The bond shall be executed by an admitted surety insurer on a Surety Bond of Traffic Violator School (TVS) Owner Surety Bond, Form OL 704 (Rev 3/94) (REV. 11/2004), which is hereby incorporated by reference and conditioned that if the applicant shall operate the business of the traffic violator school free from the practice of any fraud or without making any fraudulent representations, which cause monetary loss to a person taking instruction from the school or to the state or any of its political subdivisions, then this obligation shall be null and void, otherwise to remain in full force and effect. The bond shall be subject to chapter 2 (commencing with Section 995.010), title 14, of part 2 of the Code of Civil Procedure.~~

~~(b) The form shall contain the following information: The true, full name of the traffic violator school owner principal, and any doing business as (DBA) names under which the licensed activity is conducted, shall be entered on the bond.~~

~~(1) The premium amount and bond number.~~

~~(2) The name of the traffic violator school owner and the school's DBA name.~~

~~(3) The owner's address for service of process.~~

~~(4) The name and address of the surety.~~

~~(5) Information as to the effective date of the bond and where and when the bond was executed.~~

~~(6) The signature and printed name of the attorney in fact for the surety.~~

~~(7) The signature and printed name of the principal.~~

~~(c) The appointment of director as the agent for service of process required by Vehicle Code section 11202(a)(6) (B) shall be in the form required under subdivision (c) of Section 330.08 of Title 13, California Code of Regulations. Should the department receive a notice of bond cancellation from a surety company, the effective date of the cancellation shall be thirty (30) days from receipt by the department. To retain licensure, the affected traffic violator school shall provide the department with one of the following on or before the cancellation effective date:~~

~~(1) Proof that the bond has been reinstated.~~

~~(2) A new bond.~~

~~(3) A deposit pursuant to Section 345.66.~~

~~(d) Should a traffic violator school fail to act pursuant to subdivision (c), the department shall cancel the traffic violator school owner license pursuant to Vehicle Code Section 11216(b).~~

NOTE: Authority cited: Sections 1651 and 11202(a)(2) and 11219, Vehicle Code. Reference: Section 995.010, Code of Civil Procedure; and ~~Reference:~~ Sections 11202 and 11203, Vehicle Code.

**~~§345.67. Certification Required with an Application for Traffic Violator School Owner.~~**

~~A completed Certificate of Appointment, form OL 602 (Rev 4/91), provided by the department shall be submitted with the application for an original license, except as provided for by Section 11202(c) of the Vehicle Code, Showing that the Director of the Department of Motor Vehicles has been appointed as agent for accepting service on behalf of the traffic violator school. This form shall contain:~~

~~(a) — The typed name of the applicant(s), including the DBA name.~~

~~(b) — The notarized signature of the principal.~~

~~NOTE: Authority cited: Section 1651 and 11202(a)(2), Vehicle Code. Reference: Section 11202, Vehicle Code.~~